

**FILED**  
**10-06-2020**  
**CIRCUIT COURT**  
**DANE COUNTY, WI**  
**2020CV001054**

STATE OF WISCONSIN : CIRCUIT COURT : DANE COUNTY  
BRANCH 15

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In the Matter of the Rehabilitation of:

Case No. 2020-CV-1054

Time Insurance Company  
c/o: Office of the Commissioner of Insurance  
125 South Webster Street  
Madison, WI 53703

Case Code: 30703

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**NOTICE OF MOTION AND MOTION TO APPROVE ASSUMPTION**

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TO: All Interested Parties

**NOTICE**

PLEASE TAKE NOTICE that the Commissioner of Insurance of the State of Wisconsin, Mark Afable, as Rehabilitator of Time Insurance Company (the “Commissioner” or the “Rehabilitator”), brings this Motion for Approval of Assumption (the “Motion”) for hearing, if necessary, before the Circuit Court for Dane County, in the Dane County Courthouse, 215 S. Hamilton Street, Madison, WI 53703-3285, on a date and at a time to be determined by the Court. Objections to the Motion, along with supporting documentation, shall be filed with the Court and served on the Commissioner, by his attorneys, James A. Friedman and Zachary P. Bemis of Godfrey & Kahn, S.C., and any other party who has filed an appearance in this action within 14 days of the filing of the Motion.

## MOTION

Mark Afable, Commissioner of Insurance of the State of Wisconsin, as Rehabilitator of Time Insurance Company (the “Commissioner” or the “Rehabilitator”), hereby moves the Court, pursuant to Wis. Stat. §645.33 and chapter 645, in general, to enter an Order approving the October 1, 2020 Assumption Agreement between Time Insurance Company (“Time”) and Assurity Life Insurance Company (“Assurity”). As grounds for this Motion, the Commissioner states as follows:

1. On or about April 1, 1996, Time and Woodmen Accident & Life Company (“WALC”) entered into an Agreement of Reinsurance Assumption of Risks relating to Time’s group and individual disability income insurance policies (the “Disability Business”), including a coinsurance agreement for policies not assumed (the “Coinsurance Agreement”) and an Administrative Services Agreement (the “Administrative Services Agreement”, and together with the Coinsurance Agreement, the “Business Agreements”), by which Assurity agreed to assume and/or fully reinsure on a 100 percent coinsurance basis and to administer the Disability Business.
2. Effective October 1, 2003, WALC was merged into Assurity, and all of the policy owners/members of WALC became policy owners/members of Assurity on the effective date.
3. Pursuant to the Business Agreements, Assurity, in essence, assumed virtually all rights and responsibilities with respect to Time’s policyholders in the Disability Business. In fact, because virtually all communications with those policyholders has come from Assurity, not Time, those policyholders generally consider Assurity their insurance company for the Disability Business

4. On May 18, 2020, the Commissioner filed in this Court a Petition for Order for Rehabilitation of Time (the “Rehabilitation Petition”).

5. Assurity provided notice of the Rehabilitation Petition to the Disability Business policyholders. None of those policyholders filed an objection with this Court as to the Rehabilitation Petition.

6. The Rehabilitator has reviewed the Business Agreements and performed other extensive due diligence concerning the proposed assumption. Based on that review, the Rehabilitator has determined that it would be in the best interests of the Disability Business policyholders for Assurity to assume all of Time’s rights, title, interests, and obligations with respect to the Disability Business. Furthermore, based on the current relationship between Assurity and the Disability Business policyholders, the Rehabilitator has determined that such an assumption will cause little, if any, disruption to the policyholders. As a necessary step in the assumption, the Coinsurance Agreement and the Administrative Services Agreement will terminate.

7. Assurity is a financially sound insurance company, licensed to do business and in a good standing in all states in which the Disability Business insurance policies were issued.

8. On October 1, 2020, Assurity and the Commissioner, as Rehabilitator of Time, entered an Assumption Agreement, subject to this Court’s approval. A true and correct copy of the Assumption Agreement is appended to this Motion as Exhibit 1.

9. Pursuant to Wis. Stat. § 645.33(2), “[s]ubject to court approval, the Rehabilitator may take the actions he or she deems necessary or expedient to reform and revitalize the insurer [in rehabilitation].” The Rehabilitator believes that the October 1, 2020 Assumption Agreement is “necessary [and] expedient to reform and revitalize” Time.

10. The Commissioner has shared a draft of the October 1, 2020 Assumption Agreement with regulators from the other states, and he has received no objections to the Assumption Agreement.

11. For efficiency and ease of accounting, the Rehabilitator requests that Assurity's assumption of Time's Disability Business, pursuant to the Assumption Agreement, be effective on November 1, 2020.

12. The Rehabilitator will provide notice of the assumption to all effected policyholders of Time within 30 days. The Rehabilitator may delegate this responsibility to Assurity. Because Time is in rehabilitation, the Rehabilitator need not seek the approval of the effected policyholders of Time. Wis. Stat. § 645.33(2); *see In re Ambac Assurance Corp.*, 2013 WI App 129, 351 Wis. 2d 539, 841 N.W.2d 482; *see also* NAIC Assumption Reinsurance Model Act, sec. 7.

NOW, THEREFORE, for the reasons stated above and based on the entire record in this action, the Rehabilitator asks the Court to enter an order approving the October 1, 2020 Assumption Agreement between Time and Assurity.

Dated at Madison, Wisconsin, this 6th day of October 2020.

GODFREY & KAHN, S.C.  
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Respectfully submitted,

GODFREY & KAHN, S.C.

By: *Electronically signed by James A. Friedman*  
James A. Friedman  
Zachary P. Bemis  
Attorneys for Petitioner Mark Afable,  
Commissioner of Insurance of the State of  
Wisconsin